



Connecticut Self Storage Association

The Voice of the Industry in Connecticut

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Testimony opposing
SB 436: AN ACT CONCERNING MUNICIPAL REVENUE
and
HB 5480 AN ACT PERMITTING REGIONAL SALES TAX

Finance, Revenue & Bonding Committee
March 15, 2010

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President Connecticut Self Storage Association (CTSSA)

INTRODUCTION

My name is J.R. Clisham. I am a Hartford resident. I am the current President of the Connecticut Self Storage Association. I am also one of the owners of Connecticut Self Storage, LLC, based in West Hartford. Currently our company has five locations: one each in Glastonbury, Plainville and Meriden, as well as two in West Hartford.

I am here today to speak in opposition to Bills 436 and 5480. If either bill is passed, it would only increase the already unfair sales tax that is imposed on self storage facilities in our state, as well as create a compliance nightmare for self storage facilities operating in multiple municipalities or regions.

A SALES TAX UNFAIRLY SINGLES OUT THE SELF STORAGE INDUSTRY

In the self storage business, we rent real estate. More simply put, we rent space. Our tenants range from soccer moms, to families on the move, to senior citizens, to small local businesses, to military personnel currently overseas, to those citizens not as fortunate and of lesser means. Our tenants are required to sign a lease. Thus, our tenants rent self storage space much in the same way they would rent an apartment, a retail space, an office space, or an industrial space. *Currently, none of these other real estate rentals are subject to a sales tax, however, the rental of self storage space is subject to sales tax.* The current sales tax on self storage rentals places our industry in a very unenviable, special category, all by ourselves among commercial real estate owners. If passed, Bill 436 or Bill 5480 would only exacerbate an already unfair situation.

BILL 436 AND BILL 5480 WILL ESPECIALLY HURT THOSE CONSUMERS WHO CAN LEAST AFFORD IT

In our industry, many of our tenants are those who have fallen on hard times – such as low income individuals, the elderly, young families, widows and widowers, those who have recently experienced the death of a parent, and especially at this time, military personnel currently overseas. These segments of our communities rely on self storage as a means of preserving their personal property more often than other segments of the population. The current tax on self storage facilities already imposes a financial burden on

these less fortunate tenants. The increased sales tax in Bill 436 and/or Bill 5480 would increase this unfair burden on those who can least afford it.

BILL 436 AND BILL 5480 WILL HURT SMALL BUSINESS

Small businesses rely on self storage as a means of preserving their personal property more often than large businesses. A tax on self storage revenues pursuant to Bill 436 and/or Bill 5480 would directly affect these small businesses. As you know, small business is a key element to the success of Connecticut's local economies that should not be burdened more than it already is.

Thank you for your time and for giving me the opportunity to speak here today.